

Marketing of Container Terminals

is one of a series of highly detailed studies published by Ocean Shipping Consultants Ltd in the fields of container shipping and port development. Among other recent titles are:

'World Containerport Outlook to 2015'

'European Intermodalism – a market study'

'Containerisation in the Americas to 2015 – trade prospects'

'Containerisation in North Europe to 2015'

'The East Asian Container Port Market'

'Container Handling in Ports'

'Transitional Economies: seaborne trade prospects'

'Shipping Profitability to 2015: The outlook for Vessel Costs & Revenues'

Further details of all publications and major consultancy projects undertaken by Ocean Shipping Consultants Ltd are available on request.

Marketing of Container Terminals

By Remco Stenvert & Andrew Penfold

**OCEAN
SHIPPING
CONSULTANTS**

CONTENTS

Part I - Trends Impacting on Container Terminal Development

The study provides a summary of the key factors that are shaping the business. Globalisation is also a factor for the terminal operator – it is no longer sufficient to be competitive locally. Global productivity ‘benchmarks’ are being established and new projects must pass increasingly stringent IRR requirements. How does a developer tap the capital market? The study provides a review of the following:

- 1 How big is the market – where is growth centred?
- 2 Meeting customer needs – ship sizes/types and the terminal interface.
- 3 Productivity – benchmarking container terminals.
- 4 The True Costs of Container Terminals.
- 5 Industry structure – who are the players and what are their strategies?
- 6 Forecast Overview – OSC demand projections.

Part II – Developing and Marketing Container Terminals

Maximising returns on investment is largely a matter of marketing. Basic principles are well established but specific tailoring to the terminal market is less well understood. The study provides a detailed review of this dynamic process aimed at both new players and established operators in the market. The analysis is structured as follows:

- 1 Introducing the Container Terminal
- 2 Understanding Container Terminal Marketing
 - > The Service Fundamentals of Container Terminals
 - > The Complexity of the Stevedoring Industry
 - > Conclusions for marketing of container terminals
- 3 Market Research
 - > Objectives of market research
 - > Performing feasibility studies
 - > Forecasting demand in going-concern situations
 - > Taking customer satisfaction surveys

- > Preparing negotiations with customer profiles
- > Liner terminals: Trend or wave?

4 Customer Behaviour in the Container Terminal Industry

- > Defining the customer
- > Decision making units
- > Decision criteria
- > Decision processes
- > Market segmentation

5 Winning Marketing Strategies

- > Market share or market scope
- > Shipper or shipping line focus
- > Cost and Service strategy
- > Seaport or Network focus?
- > Collaborative strategies
- > Selecting the growth strategy

6 Servicing Customers

- > The service mix of container terminals
- > Service levels and performance
- > Multi-user service concepts
- > The co-producing customer
- > Dedicated terminal concepts

7 Capacity Planning for Optimal Use

- > Logistic flows on the terminal
- > Capacity determining factors
- > Rules of thumb for marketers
- > Service and capacity strategies

- > The role of the government

8 Effective Pricing for Stevedoring Services

- > Who gets the invoice?
- > Basic pricing
- > Incentives schemes for customers
- > Pricing for dedicated capacity
- > Pricing strategies
- > Container terminal cost structures

9 Promoting and Selling the Container Terminal

- > Promotional strategies & targeting
- > Selecting effective media
- > Relationship marketing
- > Creating transparency

10 Organising for Maximum Effectiveness

- > Internal marketing
- > Developing a professional integrated marketing approach
- > Marketing planning
- > Organising the marketing department

Appendix 1 – Glossary of terms

Appendix 2 – Internet resources

Appendix 3 – Customer satisfaction questionnaire

Appendix 4 – Tariff items

ABOUT THE AUTHORS

Remco Stenvert is Manager Corporate Development for Europe Container Terminals (part of the Hutchison group – the world’s largest container stevedore) in the port of Rotterdam. Prior to this he has held various marketing posts at ECT since 1993. He has been responsible for establishing pricing structures, dedicated terminal concepts, joint ventures, e-business initiatives and new activities and ventures. He is co-founder of a number of companies, amongst which are Maasvlakte Transport BV, Delta Reefer Care,

Home Reefer Care and TCT, a tri-modal hinterland terminal in Belgium. He has held positions as chairman of the Supervisory Board of Delta Reefer Care and as board member of PortofRotterdam.com. Prior to ECT, Stenvert was senior management consultant at Moret, Ernst & Young, based in the Netherlands. Stenvert holds a Master of Business Economics degree from the Erasmus University of Rotterdam with concentrations in marketing. At the Institute for Social Sciences (ISW) in the Netherlands he was a teacher in marketing and sales management.

Andrew Penfold has over 20 years experience as a shipping economist and is a Director of Ocean Shipping Consultants Ltd. the leading independent firm of market analysts with extensive experience in shipping, port economics and development projects. Since founding the firm in 1985 Penfold has been responsible for dry cargo shipping and port development with specific reference to containerisation. Penfold has been responsible for cargo market forecasting and port investment projects in numerous world-wide locations. At the global level

his clients include the PSA Corporation, Hutchison Ports, Hesse-Noord Natie, the Ports of Rotterdam, Antwerp and Felixstowe. Considerable expertise has also been developed with regard to container shipping operations and clients include Lloyd's Register of Shipping, P&O Nedlloyd, and other major liner operators. Penfold has been directly involved in the establishment and expansion of container terminals all around the world and has acted as advisor to project promoters and been responsible for financial ‘due diligence’ investigations.